

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Statutory Review of the System for  
Regulating Rates and Classes for  
Market-Dominant Products

Docket No. RM2017-3

**STATEMENT OF SUPPORT OF THE ASSOCIATION FOR POSTAL COMMERCE  
FOR THE MOTION OF NATIONAL POSTAL POLICY COUNCIL AND  
NATIONAL ASSOCIATION OF PRESORT MAILERS FOR  
ISSUANCE OF INFORMATION REQUESTS**

(January 23, 2018)

On January 19, 2018, the National Postal Policy Council (“NPPC”) and the National Association of Presort Mailers (“NAPM”) filed a motion for the issuance of information requests. The Association for Postal Commerce (“PostCom”) writes to support NPPC’s and NAPM’s motion and urge the Commission to grant the request to ensure the record in this docket is sufficiently developed. The information NPPC and NAPM seek is critical to the Commission’s review of the Postal Service’s performance under the current system of ratemaking and the evaluation of whether the Commission’s proposed rules will enhance that performance. Informed decision-making therefore requires that the Commission obtain this information and allow parties to comment on it, whether through the requested information requests or other means.

In rejecting a similar motion in the prior phase of this proceeding, the Commission explained that it is not required to issue such requests under the Administrative Procedure Act and that “the formulation of procedures should generally be left to the agency’s discretion.” Order No. 3807 at 5. Regardless of whether the Commission’s analysis regarding procedural

requirements was correct, the Commission undoubtedly must comply with the APA's substantive requirement of reasoned decision-making. The information requested by NPPC and NAPM will inform the Commission regarding the Postal Service's actual capital needs and history of capital investments, allowing it to better evaluate the Postal Service's revenue needs in relation to these investments, assess its management of prior investments, and determine whether the proposed rules bear a reasonable relationship to these needs. Moreover, granting the Postal Service additional revenue authority to assist the Postal Service with capital investment in the name of fostering long-term financial stability without evaluating the Postal Service's actual capital needs or whether past capital investments have enhanced financial stability and operational efficiency would itself be arbitrary and capricious.

Indeed, the Commission recognized in Order No. 3807 that the Commission and participants in this proceeding may need additional information "to facilitate the potential development of proposed rules to modify the system." Order No. 3807 at 9. Similarly, the Commission's decision not to issue requests in that order rested in part on its acknowledgement that it had not yet determined whether to propose modifications to the existing system and participants "will have the opportunity again in the proposed rulemaking phase . . . to weigh in on what changes they believe would best achieve the statutory objectives." *Id.* at 6. Now, participants will not have a second chance to comment on the need for the proposed revisions. If the Commission does not issue these information requests, parties will be forced to file their comments without critical insight into the effectiveness of the Postal Service's past capital expenditures. *See* NPPC and NAPM Motion at 2-3.

The information requested is solely in the possession of the Postal Service. Parties other than the Postal Service will have limited ability to evaluate the Postal Service's capital needs and

history of expenditures and performance without this information. Whether by granting NPPC's and NAPM's motion or through other means, the Commission must obtain this information to reach a fully informed decision regarding changes to the system of regulating rates.

Respectfully submitted,

*/s/ Matthew D. Field*

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